

I. INVENTIONS AND DISCOVERIES—*continued.*

36 FIRE EXTINGUISHING. ACT APPOINTING A COMPANY FOR QUENCHING OF FIRE, and Rules to be observed by the Inhabitants there-  
anent. Folio broadside (15 $\frac{1}{4}$  by 12 $\frac{1}{4}$  ins.). Woodcut of the arms of Edinburgh at head. *Entirely uncut.* £18 10 0

*Printed by the Heirs and Successors of Andrew Anderson:*  
*Edinburgh 1703*

• • • . . . The Council appoints the Captain of the Guard for the time, to cause two men of the best qualified of their Squad to walk Nightly through the Streets, with a large Batton in their Hand, five or six Foot long, who are hereby appointed to give notice immediately to the Fire-masters and the Guard in case of Fire, and the said Captain is to take an account of their Diligence each Morning. The Council ordains each House in a Tenement within this City, to keep two or three Ropes in their Houses that may reach from their Houses to the Ground, and four Fathome more, with a sufficient quantity of Water in their Houses or Cellars ready on all occasions, under Certification. . . .

37 FIRE INSURANCE. PROPOSITIONS FOR INSURING HOUSES FROM FIRE. Small folio broadside (15 by 7 $\frac{1}{2}$  ins.). Lower edge uncut. £14 10 0

*Delivered gratis at Mr. Starkey's, at Mr. Hinchman's, and at the Office on the backside of the Royal Exchange [London, 6 May, 1680]*

• • The first advantage of insuring against fire is the improvement of the value of house property "for the Rents in the City of London were it not for their casualty from Fire, would be esteemed the best Rents in the Land." At the end are forms of agreement "Policy if the Party Rebuild his House himself"; "If the House be to be Rebuilt by the Office." The company's office opened on 6 May, 1680, about eighteen years before the establishment of the Commercial Union Assurance Company, which is the oldest firm of its kind now in existence.

38 FIRE INSURANCE. ARGUMENTS FOR INSURING HOUSES FROM FIRE. Small folio broadside, printed on both sides. £12 0 0

*These Papers, and the Propositions, are delivered Gratis, at the Office on the Backside of the Royal Exchange [1680]*

• • A list of fires from 1660 to 1680 is given. One of the arguments is that "A man would part with Five or Ten Shillings in an Hundred Pounds, only to Sleep Quietly for a Year; and not to be Disturb'd with that Dismal Cry of Fire, Fire, when himself is not in Danger to be Burnt. Neither would a man for such a small Sum, if a Loss should happen, be disquieted with the too late Advice of Friends, every one blaming, and asking, Why he did not Insure? Or be Tormented by his own Thoughts, with the Wish I had Insured."

39 FIRE INSURANCE. A TABLE, SHEWING THE RATES OF INSURING Houses from One Year to Eleven: at the Fire-Office, kept against the Royal-Exchange in Cornhill; And at the Rainbow-Coffee-House, by the Inner-Temple-Gate in Fleet-Street. Small folio (14 $\frac{1}{4}$  by 8 $\frac{1}{2}$  ins.), broadside; top and fore-edges uncut. £12 10 0

*Printed by T. Milbourne for the Gentlemen of the Fire-Offices:*  
*London 1688*

• • The rates ranged from 7 $\frac{1}{2}$ d. for £10 for one year, to £21 for £1,000 for eleven years for brick houses, and double these amounts for timber houses.

FIRST FIRE INSURANCE PROSPECTUS.

647 FIRE INSURANCE. An Enquiry, Whether it be the Interest of the City to insure Houses from Fire; and whether the Insured may expect any advantage thereby, more than from the Insurance-Office already Settled.

THE EXCESSIVELY RARE FIRST PROSPECTUS OF A FIRE INSURANCE COMPANY EVER ISSUED.

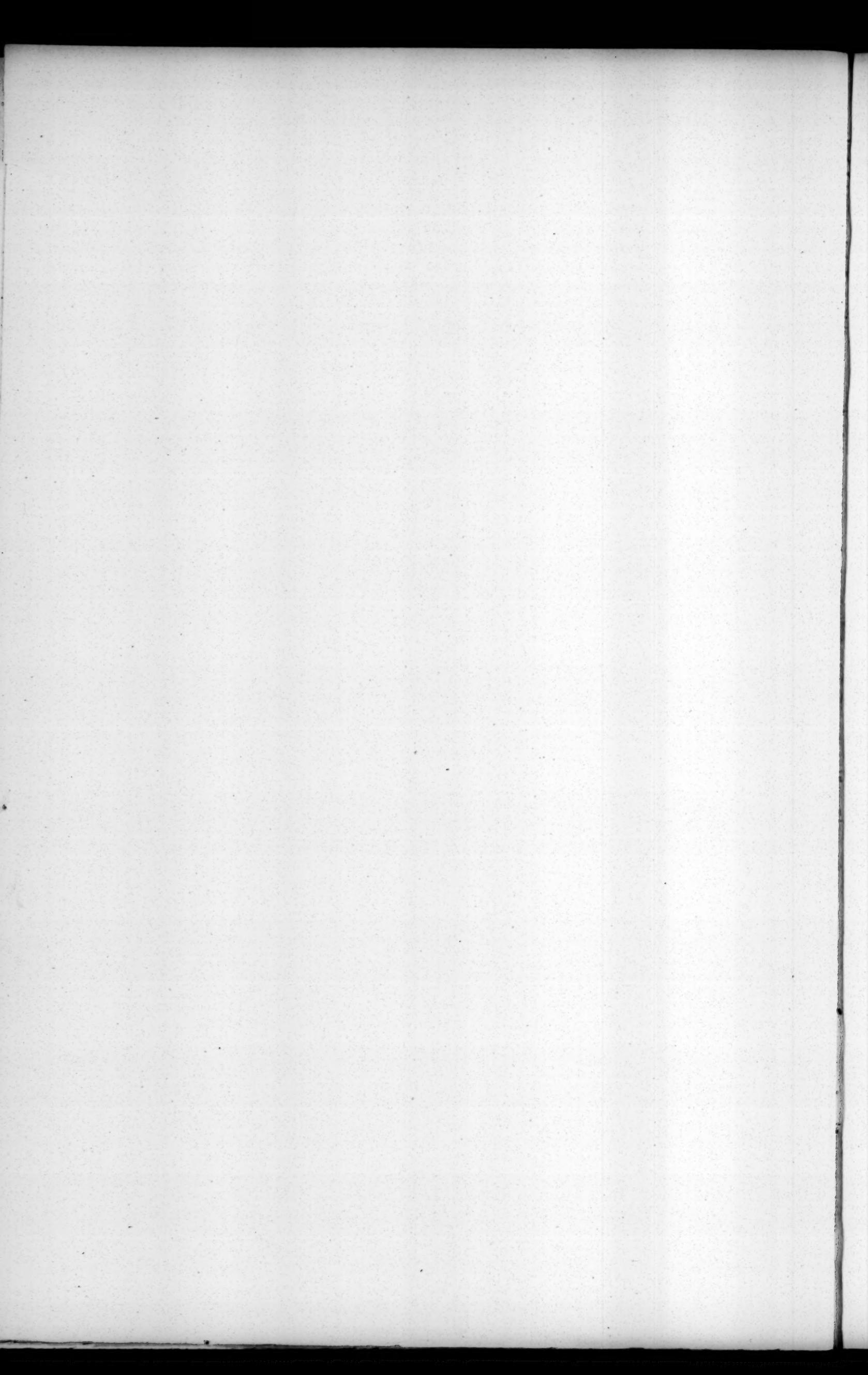
4 pp., folio, new boards. (London, 1681.)

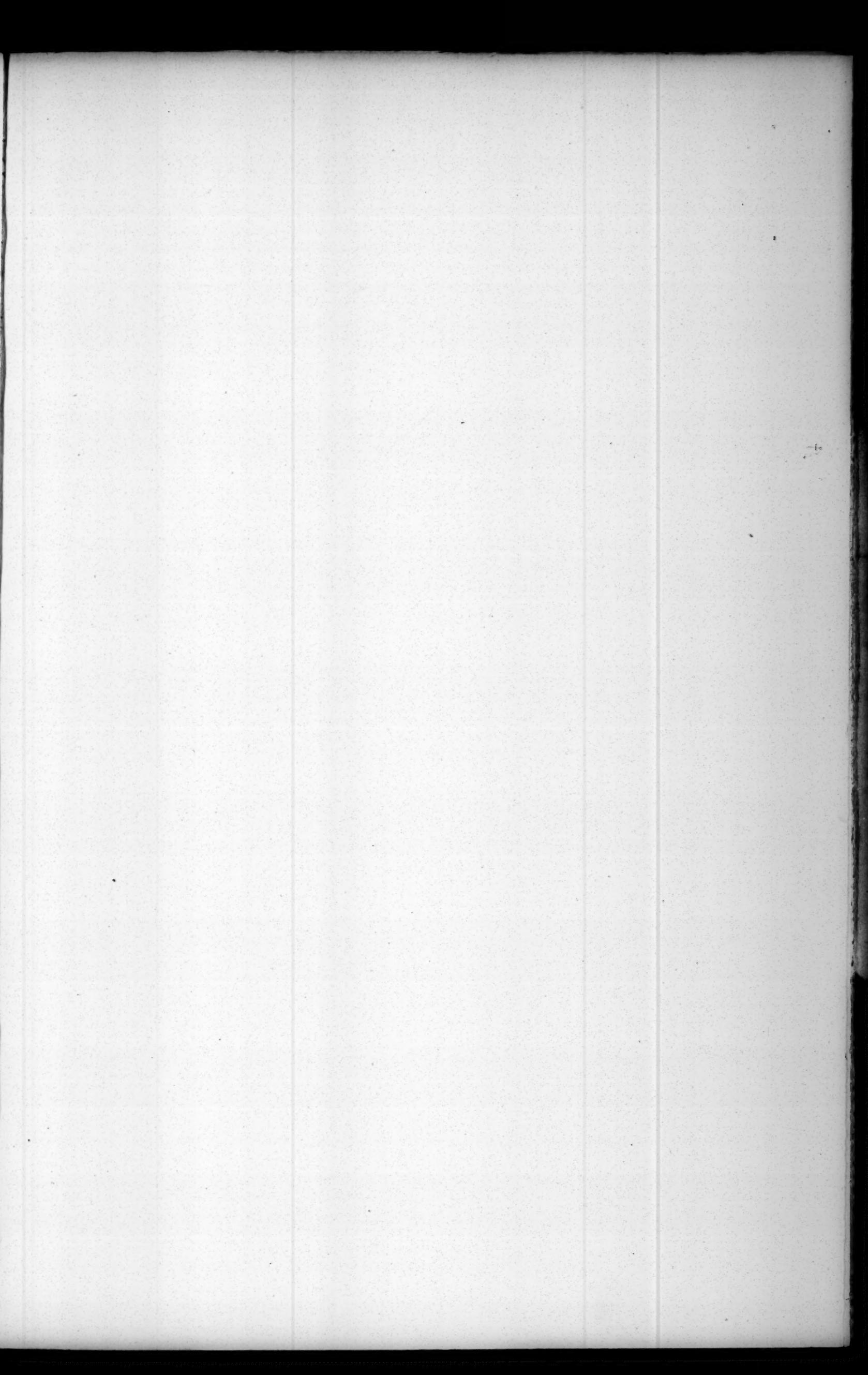
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# A Second LETTER to his Honored Friend Mr. M. T. one of the Committee chosen by the Common-Council of London for the Insuring of Houses from Fire.

No 3.

SIR,

**T**HE Paper which you sent me, publish'd by the Gentlemen of the Insurance Office behind the Royal Exchange, Entituled, *Observations on the Proposals of the City to Insure Houses in case of Fire*, I have received, and carefully perused; and shall here return you some Reflections upon it, which I doubt not will be kindly accepted by you, because the design of this Paper is the same with that of your Counsel, viz. the promoting the Publick Advantage of your City. I have spent some time in enquiring who were the *first Inventors* of this design of *Insuring Houses*, because I find these Gentlemen do with a great deal of confidence ascribe it to themselves in all those several Pamphlets, which are scatter'd (like their Braine) and so industriously spread abroad by them; and especially in this, in almost every Paragraph of it, which I have now under Examination. But herein they have done just as if a man should fly away a piece of Plate from his Neighbour, and letting his own Mark upon it, should impudently vouch himself to be the right and lawful owner of it. For I find this design was first set on foot immediately after his Majesties Restauration by several Persons of Quality, and Eminent Citizens of London, and Proposals about it then printed by them. But tho the Project and the Authors of it were then recommended to the Common Council of London by his Majesties Letter, yet it was not admitted by them, for the very same reason for which these Gentlemen now are not to be countenanced in it; viz. because they thought it impossible for private Persons to manage, and unreasonable that they (and not the City) should reap the Profits of such an undertaking. Hereupon this Design, like some Rivers that sink down into the Ground, and break not out again, but at a considerable distance, was no more heard of till the Year 1670. when it was afresh propounded to the City by Mr. De Lann, tho not prosecuted by them. However in the Majority of Sir W. Hooker it was briskly revived by Mr. Newbold the Merchant, who proposed the carrying it on by a *Joint-Stock* to be rais'd among the Inhabitants and Proprietors of the Houses to be Insured. This he communicated to the *Lord Mayor*, and divers other eminent Citizens. From some of these, like an *Eves-dropper*, this *Observator* caught it; it being then generally discours'd and approv'd of, and resolv'd to be put in practice. Accordingly Sir Robert Viner being chosen *Lord Mayor* for the then ensuing Year, Mr. Newbold retain'd Mr. Mosyer as his *Chief Council* in order to present it to the City, and gave him a Fee of above four pound. But still the hands of the City were so full of other business, that tho they had a strong Inclination, yet they had no leisure to carry on this Design. Mr. Newbold therefore waiting for a more favourable Conjunction, found it not till the Majority of Sir Robert Clayton, to whom on *New-years-day*, Anno 7<sup>th</sup>, he presented the Model of it; and sometime after printed it under the Title of *London's Improvement, and the Builder's Security, &c.* and presented it to several *Aldermen, Common-Council-men*, and other Eminent Citizens. Sir Robert Clayton approved of the matter; only advised that instead of a *Joint-Stock* it should be managed by the *Chamber of London*. And the same was the Year following by Sir Patience Ward, then *Lord Mayor*, tendred to the *Common-Council*. By them it was referr'd to a *Committee*, who after 8 Months time brought in their Report, *That the thing was very well worthy the City's prosecution*. And again, on the 15 of October they brought in another Report confirming the former. Whereupon the *Common-Council* immediately voted and agreed *That the City should undertake it*. The 15 of Nov. following, the *Committee* brought in their *Proposals* to the *Common-Council*, who consented to them, and order'd that the matter should be speedily put in execution. Thus you see, Sir, this Design was first started about the Year 1660. renew'd An. 1670. revived again by Mr. Newbold in 1674. and prosecuted by him (tho with but little success for the reason above-mentioned) till 1679; and from that time to this day follow'd with greater vigour, and to better purpose. Now after Mr. Newbold had for several years been pushing forward this Design by proposing a *Joint-Stock* of 50000 Pounds to be raised among the Inhabitants and Proprietors of 4000 Houses of the New-Brick-Buildings at 5 per Cent. on their value; (each House being reckon'd at 250 Pounds value one with another) Nay, after Sir Robert Clayton had, instead of this *Joint-Stock*, proposed that the City should manage it by *seiling a Fund of their own to that value* (which in truth makes no essential difference, only gives a much better Security to the Insured) After this, I say, these *Private Gentlemen* start up and propose the settling of *Ground-Rents and Lands* to the value of but 30000 Pounds for the Insuring of 3000 Houses, at an annual Rent for 31 years only, the profit to themselves, whereas the other Proposal of Mr. Newbold was intended to be perpetual, and the improvement of the *Joint-Stock* to be from time to time divided amongst the Insured that rais'd it. With what reason or modesty therefore they can pretend to be the *first Inventors* of this good Design, let the World judge; especially when they themselves will confess that two years ago they had no thought at all of undertaking it. I think 'tis very plain, that in this matter they have done like some *Beggars*, who borrow other mens Children to carry about with them as a Stratagem to get money by.

But if they cannot make good their Charge of *Injustice* against you for *Robbing* them of their *Invention*, they will endeavour to have you condemn'd as guilty of *Imprudence* in the managing of it. To which purpose this *Observator* hath exhibited Four Articles against you.

1. He accuses your taking *Subscriptions* as a thing vain and needless: For (says he) there can be no occasion for them, but only to see whether this Design (being altogether new) would be approved of. But this is plain already, that it does give general satisfaction. Therefore there was no necessity of your taking *Subscriptions*. But to this I answer, that taking *Subscriptions* was necessary upon another account, viz. That the Persons that do subscribe may choose Trustees from among themselves upon whom the Fund provided for their Security is to be settled.

But (saith he) why should men subscribe to you, when probably it may be so long (if ever) before the City settle their Fund, as their Houses may be burnt down before they are Insured? To this I answer, The Lands and *Ground-Rents* to the value propos'd are already agreed upon by the City, and a *Draught* of the *Conveyance* is made, and now before Counsel for Approval; and 'tis not doubted but the matter will be perfected in a very short time.

It again (saith he) why should men subscribe to you? For they may come and Insure at our Office, which is already seil'd, and be releas'd, when they find the City hath made better Provision for them. But I answer, The Question will be, Who shall be Judge in this case, whether the City have made better Provision or no? To be sure these Gentlemen will never confess it, be it never so plain, who pretend so confidently in their *Enquiry*, *Letter*, and these *Observations*, &c. to demonstrate that the City cannot give so good a Security, as they have already. They will hardly be so

good natur'd as to let go those Fishes which they have once caught in their Nets. They are very forward to take money upon almost any terms, as *Spunges* suck up Water; but the many Suits that are every Term between them and their Creditors, who are at so much trouble and charge to recover their own, plainly shew 'tis very hard to wring and squeeze it out again.

2. He accuses you for setting your Rates or Premiums for Insuring of Brick Houses at 48 shillings per Cent. for 31 years (and double the price for Timber-Houses) and so in proportion for a longer or a shorter time; because this is 2 shillings per Cent. cheaper than theirs. And declares in reuital, That they will sink their Prices 2 shillings and 2 pence per Cent. lower than yours, viz. to 45 shillings 10 pence per Cent. for Brick-Houses for 31 years (and double the price for Timber) and declares they will always set their Prices under the City; tho at present they will abate no more unless the City does.

But I answer (1) They would have cavill'd at the City, let your Prices have been what they would. Had your Rates been higher than theirs, then they would have said men might Insure cheaper with them. Had they been Equal, then they would have made a noise and clamour, that 'twas a following their Pattern. And now they are lower, they flander it as a contrivance to draw in Customers. (2.) These Gentlemen would have carv'd very fairly for themselves, had they proceeded according to their first Proposals, who still hope for very considerable Gains by this Design (or else they would never continue to prosecute it) tho now they will be content with above 4 shillings per Cent. less than what they at first propounded to themselves. But thus the fiercest Element by contesting with its contrary, is made far more moderate, than otherwise it would have been. (3.) Tho now they have set their Rates lower than yours, yet this will be no inducement at all to any wise man to Insure with them, because the Security which they give is nothing near so good as that which the City offers to the Insured. This I shall demonstrare thus.

They propose to Insure 3000 Houses with a Fund of but 30000 Pound value. Now such a Fund can be Security for no more than 150 Houses, and all that Insure with them above this number, have no Security at all; Nay, even those 150 Houses too can be ensured to be rebuilt but once neither, tho they pretend to rebuild them as often as they shall be burnt in 31 years. For should those 150 Houses be burnt down, the Rebuilding of them (tho but once) if you reckon them at but 200 pounds per House one with another (which I am sure is low enough) will amount to the just sum of their Fund, which is 30000 pounds. Now suppose that 12 Houses be burnt one year, at the rate of 200 pounds for rebuilding each House, there's 2400 pound gone: Suppose 12 Houses be burnt the next year, there's 2400 pounds more gone; and so in less than 13 years time their whole Fund of 30000 pound must be spent to satisfie the Loss: Nay, considering the Charges they are at in maintaining men for the Quenching of Fires, as they pretend, (tho being arm'd Cap a Pe, they look as if they were design'd to encounter another Enemy than the Fire, especially if we consider that none can be employed in that Service within the City, unless allowed by Authority) and other matters relating to their Office, which they themselves Calculate at a 1000 pound per Annum; considering too, I say, their Fund will be gone some years sooner: and then where is the Security for those 150 Houses the remaining 18 years, or for any of the other Houses above 150 all the time? If you Reply, *They will not pay the Losses for the Houses that are burnt, out of the Fund, but out of a Bank which they will always have lying ready by them.* I ask how Private men, and Persons so much in Debt should come by such a Bank, wheras they have exprely covenanted to put up the yearly Profits of their Fund in their own Pockets? And so they had need; for how should they live else? For if they had any other Estate besides their Fund, it might reasonably be presumed they would pay their Debts with it, which yet they have not discharged. And if they had not, yet the yearly Profits of their Fund, if they had settled as large an one as they at first promised, amounts but to 2000 pounds per Annum, (though by the way, what they have settled rises but to 1400 pound per Annum, and we may well think they could reach to no more) which will not rebuild above 10 Houses, if they should be burnt, reckoning them but at 200 pound each House. If you say *The Premiums of the 150 Houses shall be laid out to buy more Lands for the Insuring others, or help make up the Loss.* I answer that the Premiums of 150 Houses insured for 31 years, reckoning each House at 200 pound value, makes but 750 pound, which is an inconsiderable Sum, and will purchase but a few Inches of Ground. If you say *the Premiums of the other Houses above the 150 that are Insured, shall be laid out to buy a further Fund, or help make up the Loss:* I answer, (1.) Why should they have the Premiums of 2850 Houses for which they can give no other Security but those Premiums themselves? And (2.) Those Premiums are otherwise to be disposed of by them, viz. either to buy Ground-Rents or Lands (as far as they will go) for the Insuring at the Inns of Court, Chancery, and Westminster; the Insuring of which places they pretend they resolve speedily to undertake. Or else (which is more probable) these Premiums will be slipt into their own Pockets, for their own Private occasions, which are great enough.

Besides, it would be worth enquiring, whether the Lands of a man, liable to a Statute of Bankrupt 3 years ago, can now be a sufficient Security? or, (as I intimated in my other Letter) the Lands or Ground-Rents of another, who is (every day) liable to be called to an Account for Male-Administration in a Publick Office, and which if he should be found to be in Arrears to his Majesty, would be unavoidably seized in his Majesties behalf. But now if men Insure with the City, the Case is quite otherwise: For you have a Fund of an 10000 pounds value, which is Security for the Rebuilding of 500 Houses, reckoning each House as before, at 200 pounds one with another. Then there's the Premiums of those 500 Houses, and all the rest which shall be Insured that will be settled as an Additional Fund. And lastly, there is the Annual Rent of your Original Fund which amounts to 5000 pounds per Annum, and the Interest of the Premiums (which will rise very high too) both which will be laid by in a Bank by the City (you having no need, as Private men have, to apply them to any other Purposes) Which yearly Revenues will be so great as alway to make good all those Losses by Fire, which in all probability can happen in any one year; and so neither your Original nor Additional Fund will be diminisht to make satisfaction. Were this but throughly weigh'd, I believe there is none would Insure with these Private men; but they would want Customers as much as they do either Credit or Money.

But further they object, *Our Rates are lower than the Cities, because we Discount by way of Purchase, 5 years paid down for 8 years Insurance; 7 for 12; 9 and a half for 21; and 11 for 31 years.* Whereas *Your Table is after the Rate of 13 years Purchase for 31 years, and near 16 years Purchase for 51: Prices never heard of among Purchasers.*

To this I answer, (1.) How low soever their Rates are, yet it can be no temptation to any man that understands himself or them, to Insure at their Office, unless their Security were better than I have just now shewn it to be. (2.) Tho this Observator pretends, That your Prices are such as were never heard of among Purchasers, yet I am sure that near 13 years Purchase paid down for 31 years, and near 16 for 51 years, are the just Prices at Simple Interest at 5 l. per Cent. Rebate, as it hath been computed by, and attested under the hands of two of the most exquise Arithmeticians this day in London.

lose by it, they prejudice the whole Body of the Citizens by wasting the Publick Revenues; which are very low already, as appears by the Cities borrowing Money upon Interest, when no visible improvement is made by it; and by your late raising the Fifteens to Repair the Publick works of the City. To all which I reply, (1.) There's no room for this Objection, because 'tis concluded on all hands, that this design will be Advantageous more or less to the Undertakers. (2.) If it were not, the City is not so likely to lose by this design as these Private Gentlemen, because the *Annual Rents* of your *Original Fund* (not to insist on the Interest of the *Premiums*) are so great, that they will at present make satisfaction for almost four times the loss as theirs will, without resorting to the *Fund* it self, and the yearly Rents of it being laid by, in a short time will make satisfaction for many more times the loss than theirs will. (3.) What your Committee do in this matter, is with the consent and Approbation of the *whole Common Council*, who being chosen by the Body of the Citizens, are their true *Representatives*. And therefore if the City should be a Loser by this Design, your Committee cannot justly be taxed for it. (4.) Whereas they say, If they lose, they lose but their own, I must deny it till they have made Even with their many Creditors. And till this be done, the ruin of these Gentlemen will be like the falling of an *Old rotten Oak*, which in tumbling beats down a multitude of little Shrubs and Under-woods. (5.) To say, *The Revenues belonging to your City are very low*, is a notorious Scandal. And 'tis sufficiently known, that the *Chamber* hath frequently refused many Sums of Money of late, though it hath been offer'd them at *Four per Cent. Interest*. (6.) As for your *Raising the Fifteens*, I doubt not but it will be sufficiently justified: it having been the Custom of the City to raise them for such uses time out of mind. And the Reason why they have not been raised for some Years, till of late, is, because there was no occasion for it: The Profits arising to the City from the Duty upon *Coals, &c.* given by *Act of Parliament*, having been applied to this purpose from the time of the great Fire in 66, till the time when the *Fifteens* were rais'd.

3. The Observator condemns your City for offering to *Insure for Ever*; which (saith he) is to spoil the whole Design. The Argument which he produceth to prove this, he tells us, was the *great one that was used at the setting their Office, to shew the certainty of their Security, which could no otherwise have given satisfaction*.

If therefore I can but pull down this main Pillar, their whole *Insurance Office* like a rotten Building falls about their ears. Therefore, (1.) The Argument which the Observator useth to prove, that the City cannot well *Insure for Ever*, will as strongly prove, that these Gentlemen that offer to *Insure for 31 Years*, should not be trusted with all the *Premiums* for so many Years at once, but collect them yearly; which they themselves will not approve of. For thus he argues; and I with him: *No Security can be good where all the Profit is at first received, and the Loss is uncertain, and continues for Ever* (saith he); 'Tis the same for *Thirty one Years* (say I). For the *Loss* being uncertain, the *Security* cannot be proportion'd. And where all the *Profit* is at first received, (as it will be if Men *Insure* with them for 31 Years) there is no *Interest* obliged to take care of the *Designs*, as to pay a *Loss* and *Preserve* the *Fund*. So that whenever the *Loss* happens greater than the *Annual Rent* of the *Security*, the *Land* must be divided and torn in *Pieces* to satisfy the *Loss*. So that this Argument must be quitted, because 'tis as strong against their *Insuring for Thirty one Years*, as against the *Cities Insuring for Ever*. I know it may be replied in the Observator's own words, that when *Houses* are *Insured* for no longer than 31 Years, the *Premium* that will arise from the *Reversion*, will engage these *Private Gentlemen* to raise *Money* to pay the *Losses* and *preserve* the *Fund* entire, though the *Losses* were greater than 10 Years *Rent* of the *Fund*. But let any man of common Sense judge, whether these Gentlemen will have any reason to secure the *Reversion* of such a Project whereby 20000 Pounds (two Thirds of their *Fund*) is lost at one clap. (2.) All the *Profit* is not received by the *City* at first; for the *Interest* of the *Premiums* of the *Houses* *Insured* by the *City* will be an *Annual Profit* to it. (3.) 'Tis probable indeed, that the *Loss* by one years *Fire* may be greater than the *Annual Rent* of these *Gentlemen's Fund*, which is but 1400 Pound; but 'tis very improbable it should be greater than the *Annual Rent* of the *Cities Original Fund*, which is 5000 Pound, and that of the *Additional Fund* of the *Premiums* too. (4.) If the *Loss* should be greater than the *Annual Rent* of the *Cities Security*, yet the *City* would have as much reason to take care to pay the *Losses* and *preserve* their *Fund* entire, as these Gentlemen would have to raise *Money* to *Preserve* theirs, if the *Loss* on their side should be greater than the *Annual Rent* of their *Security*. For why will the *Premium* that will arise from the *Reversion* engage them to do so, but because they hope in the next 31 Years to make up their great *Loss*? And sure the *City* may as well hope to make up their *Loss* in time too; for though when the *City* *Insures for Ever* they have no *Reversions*, yet the *Premiums* for that Reason are proportionably greater than those of these *Private men*, and consequently are equivalent to their present *Premiums*, and their *Reversion* too; and therefore the *City* will be as careful to raise *Money* to *preserve* their *Fund* entire, though the *Loss* at present should be greater than Ten years *Rent* of their *Fund*.

But further he objects, *Should men Insure their Houses for Ever*, your *Corporation* would have greater occasion for an *Act of Restraint*, than the *Spiritual Corporations* heretofore have had; For though the *Church* and *Colledges* by granting long *Leases* prejudiced their *Successors*, they left them the *Old Rent*: But your Committee will not be so kind to your *Successors*; for you would not only leave them without *Reversions*, but entail a *perpetual Charge and Loss* upon the *Corporation*. But I answer, If the Committee intended to put the *Premiums* of the *Houses* to be *Insured* into their own *Private Pockets*, as the *Prebends* of *Churches* and *Fellows* of *Colledges* do, and these *Private Insurancers* intend, this Objection had a great deal of weight in it: But seeing these *Premiums* are to be settled as a further *Fund* for the *Publick good*, you will have no need of an *Act of Restraint*: Neither indeed would they, if they had bestowed the *Profits* of those long *Leases* which they granted for the present and future *Publick good* of those *Churches* and *Colledges* to which they belonged; for had they done so, this would not have been for the *Prejudice*, but *Advantage* of their *Successors*. 'Tis true, you leave your *Successors* without *Reversions*, if you *Insure for Ever*; but then the *Premiums* you receive from the *Insured* are set proportionably the higher for it, which will be transmitted entire to those that come after you; and so you will in all probability entail a *perpetual Profit and Advantage* (not a *perpetual Charge and Loss*) upon the *Corporation*.

The Fourth and Last Article upon which you are impeach'd, is, *Your going to Council, to know whether you can settle your Ground-Rents*. I foresee this Objection will not go very far, because it limps so foully at its first setting out, there being not one syllable of this in any of your Papers; nor can it be drawn by any just consequence from any of them. For your *Tenth Proposal* (in which alone there is mention made of your *Advising with Council*) runs thus, That the *said Committee*, in order to the *said Security*, do forthwith by *Advice of Council* proceed to prepare *Settlements* of the *said Lands and Ground-Rents*, and to draw up *Articles and Agreements at large in pursuance of these Heads*, to be proposed to such as shall *Insure* upon the *same*: which implies; That the Committee and *Common-Council* were already satisfied, that they could settle the *Lands*, and therefore your Committee were not order'd to attend *Council*, to know whether they could settle, or no.